

Message Text

UNCLASSIFIED

PAGE 01 STATE 144584
ORIGIN EB-08

INFO OCT-01 EUR-12 EA-12 IO-14 ISO-00 CIAE-00 DODE-00
INR-10 NSAE-00 PA-02 SP-02 COME-00 TRSE-00 INT-05
STR-07 ITC-01 OPIC-06 L-03 H-02 SSO-00 ICAE-00
INRE-00 SS-15 NSCE-00 /100 R

DRAFTED BY EB/OT/STA:CHBLUM:JH
APPROVED BY EB/OT/STA:J-SPIRO
EB/OT/STA:JSSPIRO
EUR/RPE:ECASEY

-----103237 072255Z /62

O R 072211Z JUN 78
FM SECSTATE WASHDC
TO AMEMBASSY PARIS IMMEDIATE
INFO USMISSION GENEVA
AMEMBASSY TOKYO

UNCLAS STATE 144584

USOEC, USEEC, GENEVA FOR AMBASSADOR WOLFF

E.O. 11652: N/A

TAGS: ETRD, US, JA, EEC

SUBJECT: INTERNATIONAL STEEL ARRANGEMENT

1. PLEASE PASS DAS BARRACLOUGH AND ASSISTANT STR HEIMLICH.

2. WASHINGTON POST RAN FOLLOWING ARTICLE JUNE 7 UNDER

HEAD BEGIN QUOTE US, EEC, JAPAN DRAFT ANTI-PROTECTIONISM
PLAN END QUOTE.

3. BEGIN TEXT:

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 144584

A MAJOR INTERNATIONAL ATTEMPT TO HEAD OFF BURGEONING PRO-
TECTIONISM IN THE WORLD'S CRISIS-RIDDEN STEEL INDUSTRY IS
OUTLINED IN A SECRET DOCUMENT DRAFTED JOINTLY BY THE U.S.
ADMINISTRATION, THE EUROPEAN ECONOMIC COMMUNITY'S
EXECUTIVE COMMISSION, AND THE JAPANESE GOVERNMENT, AND IS
SCHEDULED TO BE DISCUSSED BY REPRESENTATIVES OF LEADING
INDUSTRIALIZED NATIONS AT THE ORGANIZATION FOR ECONOMIC

COOPERATION AND DEVELOPMENT (OECD) IN PARIS TOMORROW AND FRIDAY.

A KEY ELEMENT OF THE TERSE 12-POINT TEXT, PREPARED DURING CONFIDENTIAL TRILATERAL DISCUSSIONS IN BRUSSELS AND WASHINGTON IN APRIL, IS THE CALL ON THE WEST'S LEADING STEEL-PRODUCING NATIONS TO CREATE A HIGH-LEVEL STEEL COMMITTEE TO MONITOR INTERNATIONAL MARKET DEVELOPMENTS AND SUPERVISE THE OFTEN COMPETITIVE NATIONAL RESPONSES TO WHICH THEY GIVE RISE.

AMONG THE PRIORITY TASKS PROPOSED FOR THE COMMITTEE WOULD BE TO "DEVELOP COMMON PERSPECTIVES REGARDING THE EMERGING PROBLEMS OR CONCERNS IN THE STEEL SECTOR AND ESTABLISH, WHERE APPROPRIATE, MULTILATERAL OBJECTIVES OR GUIDELINES FOR GOVERNMENT POLICIES," ACCORDING TO A VERSION OF THE DOCUMENT CURRENTLY CIRCULATING IN DIPLOMATIC CIRCLES HERE.

IN ADDITION, U.S. OFFICIALS HERE HOPE THE STEEL COMMITTEE WILL ENABLE "FAST-TRACK" POLICY CONSULTATIONS ON KEY MEASURES. "ALL ANTI-DUMPING AND SAFEGUARD ACTIONS IN THE STEEL SECTOR SHOULD BE FULLY CONSISTENT WITH PRESENT AND FUTURE GENERAL AGREEMENT ON TARIFFS AND TRADE PROVISIONS AND SHOULD BE REPORTED BOTH TO THE GATT AND THE STEEL COMMITTEE PROMPTLY ," THE TEXT SAYS.

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STATE 144584

THE COMMITTEE ALSO WOULD HAVE BROADLY DEFINED POWERS OF INTERNATIONAL SCRUTINY. DESIGNED TO "MEET REGULARLY AND IN SPECIAL SESSIONS," IT WOULD "CONTINUOUSLY FOLLOW THE EVOLUTION OF NATIONAL, REGIONAL, AND WORLD STEEL INDUSTRIES WITH REGARD TO EMPLOYMENT, PROFITS, INVESTMENT, CAPACITY, PRODUCTION COSTS, PRODUCTIVITY, AND OTHER ASPECTS OF VIABILITY AND COMPETITIVENESS," ACCORDING TO THE TEXT.

WHILE THIS AMBITIOUS CALL FOR STEPPED-UP INTERNATIONAL CONSULTATION ON GOVERNMENTS' STEEL POLICIES HAS YET TO BE SOLD BY THE ADMINISTRATION TO CONGRESS AND BY THE EEC COMMISSION TO THE GOVERNMENTS OF ITS NINE MEMBER STATES, ITS PROSPECTS SEEM FAIR.

BOTH EEC AND U.S. OFFICIALS HERE RECOGNIZED THAT THE WHOLE CAUSE OF WORLD TRADE LIBERALIZATION, CURRENTLY CENTERED ON THE TOKYO ROUND TALKS BEING HELD AT THE GATT IN GENEVA, COULD BE DECISIVELY JEOPARDIZED IF NO ORGANIZED SOLUTION IS FOUND FOR THE CHAOTIC CONDITIONS NOW PREVAILING ON INTERNATIONAL STEEL MARKETS.

"IF THE STEEL PROBLEM IS NOT SOLVED, THERE COULD BE A SNOWBALLING OF PROTECTIONISM INTO OTHER SECTORS, AND THIS COULD LEAD TO A COMPLETE EMPTYING OF THE CONTENTS OF THE TOKYO ROUND," CLAIMED ONE ANXIOUS COMMON MARKET OFFICIAL INVOLVED IN THE INTERNATIONAL STEEL TALKS.

AMERICAN OFFICIALS CONTACTED HERE APPEAR TO CONCUR. THEY EXPLAIN THE ADMINISTRATION'S SUPPORT FOR CLOSER INTERNATIONAL SUPERVISION OF WORLD STEEL MARKETS AS THE PRICE TO BE PAID FOR GAINING INDUSTRY AND CONGRESSIONAL BACKING FOR CONTINUING STEEL TRADE LIBERALIZATION TALKS IN THE TOKYO ROUND.

"WE NEED A WAY OF SHOWING CONGRESS AND INDUSTRY THAT OTHER
UNCLASSIFIED

UNCLASSIFIED

PAGE 04 STATE 144584

GOVERNMENTS AREN'T DOING THINGS FOR THEIR INDUSTRY WHICH WE ARE NOT DOING FOR OURS," EXPLAIN AMERICAN DIPLOMATS HERE. END TEXT.

VANCE

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: STEEL, TEXT, PRESS COMMENTS, AGREEMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 07 jun 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE144584
Document Source: CORE
Document Unique ID: 00
Drafter: CHBLUM:JH
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780238-0706
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780684/aaaacurs.tel
Line Count: 141
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 87d2cc8f-c288-dd11-92da-001cc4696bcc
Office: ORIGIN EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2448734
Secure: OPEN
Status: NATIVE
Subject: INTERNATIONAL STEEL ARRANGEMENT
TAGS: ETRD, SOPN, US, JA, EEC, WASHINGTON POST
To: PARIS
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/87d2cc8f-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014